

Agenda Item #5

Review of Completed Audits

Housing Grants Program

Performance Audit

Audit Report Layout

- Key Highlights
 - Very high-level report summary
 - Inclusive of management response
 - Audit report numbering
- Background
 - Program overview and data
- Findings and Other Matter
 - Criteria, condition, cause, effect, recommendation and management response
- Audit Objectives, Scope and Methodology
- About Us

Audit Report Overview

- Audit Objective
 - Assess effectiveness of Housing Grants Program (HGP) and metrics used to measure and report performance
 - Assess the status to expand program eligibility
- Audit Scope
 - FY 2024 participants
- Test Areas
 - Application process and validation
 - Performance measurement program
 - Program communication and assistance
 - HGP study recommendation status
 - Voyager application general controls

Audit Report Overview (cont.)

- Management Responses
 - Agreed with all findings and recommendations
 - Estimated audit follow-up scheduled for Q42026

Review of Findings

Audit Finding	Recommendation	Corrective Action Date
1. Program performance outcome measures are not directly aligned with the Affordable Housing Master Plan (AHMP).	DHS and CPHD should collaborate with County leadership to identify a framework for aligning performance measures to the AHMP. Also establish baseline data and targets to measure progress over time.	1Q2026
2. Program operating procedures are not documented.	Management should create a comprehensive procedural manual for administering and monitoring the HGP in compliance with applicable regulations. This manual should detail the steps for conducting quality assurance inspections for both approved and denied applications. Additionally, management should implement a process to review and update the manual annually, ensuring it remains aligned with regulatory changes and modifications to key processes.	1Q2026
3. Personally identifiable information stored on an e-mail server.	The HGP procedures document recommended under Audit Finding 2 should also include procedures for handling documents submitted during the application intake process. Also, for the documents currently archived, HAB leadership should delete or secure any records in accordance with County policies.	1Q2026

Review of Findings

Audit Finding	Recommendation	Corrective Action Date
4. Letters communicating with stakeholders (program participants) are not always clear.	HAB should review each template in the library to ensure the messaging is clear, concise, and aligned with program regulations. Additionally, the templates should be submitted to the County Attorney for review to ensure any potential legal risks are effectively mitigated. As templates are updated or newly created, they should also be sent to the County Attorney for review.	1Q2026
5. Housing Grants Program software application, Yardi Voyager, audit report not obtained and reviewed.	DHS ISB should annually obtain the SOC Type 2 reports from Yardi Systems and Equinix. A documented review process should be implemented to evaluate each report upon receipt, highlighting any findings that could impact Arlington County Government (ACG).	1Q2026
Other Matter 1: Implement a grant review control checklist.	HAB management should develop and implement a grant control checklist to be used during both the initial grant approval and renewal processes. This checklist should be tailored by applicant category, detailing all applicable regulations and verification requirements.	1Q2026

DTS Contract Management

Follow-Up Audit

Audit Report Overview

- Audit Objective
 - Verify the status of the 7 remaining open audit recommendations
 - Last follow-up report issued May 2022
- Audit Conclusion
 - Six recommendations implemented
 - One recommendation requires additional follow-up

DTS – Open Item

Original Finding	Contract management file is not consistent
Original Recommendation	DTS contract managers should review the County's Contract Administration Policy and update all contract records to align with the contract file requirements outlined. As new contracts are executed, contract files should be set up and maintained regularly by the assigned contract manager.
OCA Action Taken	OCA conducted a review of the DTS contract SharePoint site to assess its completeness and accuracy. No exceptions were noted. However, six contracts were randomly selected to verify that proper documentation was maintained to ensure compliance with the Contract Administration Policy. Of these, three contracts could not be verified for compliance with policy requirements.
Management Response	DTS will create a Super Project Officer function within the DTS Finance team to oversee contract management across the department, review and audit processes and documentation and provide a level of assurance on compliance and standardization across the department. Expected implementation will be 4Q2025.

Fleet Management

Follow-up Audit

Audit Report Overview

- Audit Objective
 - Verify the status of the 1 remaining open audit recommendation
 - Last follow-up report issued May 2022
- Audit Conclusion
 - Remaining audit recommendation closed